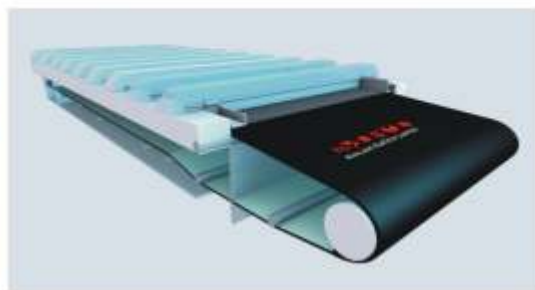
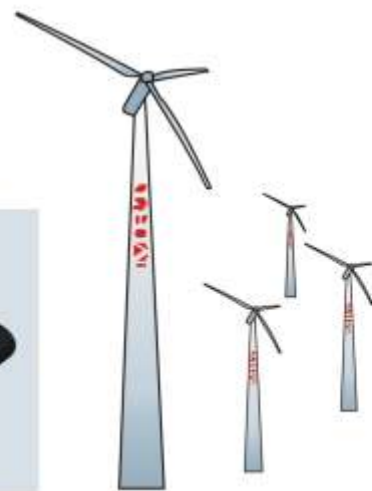




20th ANNUAL REPORT  
**2011**  
31st March



**MAHALAXMI RUBTECH LIMITED**





## MAHALAXMI RUBTECH LIMITED

### BOARD OF DIRECTORS

SHRI JEETMAL B. PAREKH  
SHRI RAHUL J. PAREKH  
SHRI ANAND J. PAREKH  
SHRI NIKHIL K. PARIKH  
SHRI MALAV J. AJMERA  
SHRI NEHAL M. SHAH

### GROUP PRESIDENT & CFO

SHRI RAJENDRA R. MEHTA

### COMPLIANCE OFFICER

JAPAN N. SHAH  
(COMPANY SECRETARY)

### STATUTORY AUDITORS

BHANWAR JAIN & CO.  
CHARTERED ACCOUNTANTS  
AHMEDABAD.

### INTERNAL AUDITORS

D. TRIVEDI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
AHMEDABAD.

### BANKERS

BANK OF BARODA

### REGISTERED OFFICE

47, NEW CLOTH MARKET, AHMEDABAD 380 002 (INDIA)

### CORPORATE OFFICE

507, CHANAKYA, NEAR DINESH HALL,  
ASHRAM ROAD, AHMEDABAD-380 009

### FACTORY

- UMA INDUSTRIAL ESTATE, PHASE III,  
VASNA (IYAVA) SANAND, DIST: AHMEDABAD
- MAHALAXMI FABRIC MILLS  
(A UNIT OF MAHALAXMI RUBTECH LTD.)  
ISANPUR ROAD, NEAR NAROL CHAR RASTA,  
NAROL, AHMEDABAD-382 405

### REGISTRAR & TRANSFER AGENT

SHAREPRO SERVICES (INDIA) PVT.LTD.  
416-420 4<sup>TH</sup> FLOOR, DEVNANDAN MALL, OPP. SANYASH ASHRAM,  
ELLESBRIDGE, AHMEDABAD-380006  
Email - sharepro@shareproservices.com

## NOTICE TO MEMBERS

NOTICE is hereby given that the TWENTYTH ANNUAL GENERAL MEETING OF "MAHALAXMI RUBTECH LIMITED" will be held at "Lions Hall", Nr. Nalanda Hotel, Mithakhali Six Road, Ellisbridge, Ahmedabad- 380 006 on Thursday the September 29<sup>th</sup>, 2011 at 12.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive consider and if approved, adopt the Audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares of the Company.
3. To appoint Auditors of the company from the conclusion of this meeting to the conclusion of the next Annual General Meeting.
4. To appoint a director in place of Shri Malav J. Ajmera, who retire by rotation and being eligible offers himself for reappointment.

### NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND INSTRUMENT APPOINTING PROXY SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE REGISTER OF MEMBERS AND TRANSFER BOOK OF THE COMPANY WILL REMAIN CLOSED FROM SATURDAY THE 24<sup>th</sup> DAY OF SEPTEMBER, 2011 TO THURSDAY THE 29<sup>th</sup> DAY OF SEPTEMBER, 2011 (BOTH DAYS INCLUSIVE)
3. The Board of Directors has recommend Dividend at the rate of 5% (Rs. 0.05 per Equity Share on the face value of Rs.1/- each) on paid up Equity Share Capital of the company. The Dividend when sanctioned and declared at the Annual General Meeting of the Company will be made payable to the equity shareholders of the Company whose names stand registered on the Company's Register of Members:
  - ◆ in respect of shares held in electronic form, to those members whose names appear in the statements of beneficial ownership furnished by National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of September 24<sup>th</sup>, 2011.
  - ◆ to those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Sharepro Services (India) Pvt.Ltd., Registrar and Share Transfer Agent of the Company before September 24<sup>th</sup>, 2011.
4. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the Meeting, Replies will be provided in respect of such queries received in writing, only at the Meeting.
5. A Member or his Proxy is required to bring a copy of the Annual Report to the Meeting as extra copies will not be distributed.
6. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
7. In compliance with the Security and Exchange Board of India (SEBI) circular dated 7<sup>th</sup> January, 2010 it is mandatory for Members holding shares in Physical form to furnish a copy of PAN in the following cases:
 

Deletion of name of deceased shareholders(s), where the shares are held in the name of two or more shareholders.

Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.

  - (i) Deletion of name of deceased shareholders(s), where the shares are held in the name of two or more shareholders.
  - (ii) Transmission of shares to the legal heir(s), where the deceased shareholder was the sole holder of shares.
  - (iii) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
8. THE COMPANY IS HAVING DEPOSITORY ARRANGEMENT WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL), AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) TO FACILITATE THE SHAREHOLDERS TO HOLD AND TRADE COMPANY'S EQUITY SHARES IN ELECTRONIC FORM. INTERESTED SHAREHOLDERS CAN AVAIL THIS FACILITY BY OPENING A BENEFICIARY ACCOUNT WITH DEPOSITORY PARTICIPANTS. FOR MORE DETAILS SHAREHOLDERS MAY CONTACT THE COMPANY'S DEPOSITORY TRANSFER AGENTS FOR NSDL AND CDSL, SHAREPRO SERVICES (INDIA) PVT. LTD., 416-420, 4<sup>TH</sup> FLOOR, DEVNANDAN MALL, OPP. SANYASH ASHRAM, ELLISBRIDGE, AHMEDABAD 380 006.

By order of the Board of Directors  
For **Mahalaxmi Rubtech Limited**

Place: Ahmedabad  
Date: August 20, 2011

S/d-  
**Japan N. Shah**  
(Company Secretary)

## DIRECTORS' REPORT

TO  
THE MEMBERS,

Your Directors have pleasure in presenting herewith the Directors' Report, along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS:

Particulars	For the year ended 31.03.2011 (Rs. in Lacs)	For the year ended 31.03.2010 (Rs. in Lacs)
Income from Operations & Other Income	12921.02	9022.98
Profit before Depreciation	1246.22	987.38
Less: Depreciation	383.38	344.15
Profit before Tax	862.84	643.23
Less: Provision for Tax	244.00	109.00
Less: Provision for deferred Tax	13.45	83.08
Profit after Tax	605.39	451.15

### OPERATION AND REVIEW:

The Company continued to see strong and profitable growth in the financial year 2010-11 driven by good performance in existing and new business.

The total income increased to Rs. 12921.02 lacs from Rs. 9022.98 lacs in the previous year, at a growth rate of 43.20%. Our Textile business aggregated Rs. 12180.19 lacs up by 48.13% from Rs. 8222.88 in the previous year. The Profit before Tax amounted to Rs. 862.84 lacs as against Rs. 643.23 lacs in the previous year. The net profit after tax was Rs. 605.39 lacs as against Rs. 451.15 lacs in the previous year.

### DIVIDEND:

Considering the improved financial performance of the Company, your Directors are glad to recommend for approval of the members Dividend at the rate of 5% (Rs. 0.05 per Equity Share on the face value of Rs. 1/- each) (Last year 5%) on paid up Equity Share Capital of the company. The dividend on the Equity Shares, if declared as above, would involve cash outflow of Rs. 5125573/- (including tax on dividend).

### DIRECTORS:

Shri Malav J. Ajmera, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

### DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors state: (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2011 and of the profit of the Company for the year ended on 31.03.2011; (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (iv) that the directors have prepared annual accounts on a going concern basis.

### CORPORATE GOVERNANCE:

Your company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, where the Company's shares are listed over the year and it is a continuous and ongoing process. A Report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance is enclosed to this report.



**MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange has been attached and forms part of this Directors' Report.

**AUDIT:**

M/s. Bhanwar Jain & Co., Chartered Accountants, Ahmedabad, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2011 -12. As required under the provisions of the Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. Bhanwar Jain & Co that their appointment if made would be in conformity with the limits specified in the Section.

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to Textile Division every year. Subject to the approval of the Central Government, the Company has appointed M/s A.G. Dalwadi & Co., Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2011 -12. The cost audit report for the Financial year 2009-2010 which was due to be filed with the Ministry of Corporate Affairs on September 26, 2010 was filed on the same date.

**FIXED DEPOSITS:**

The company has not accepted any deposits from public within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and the directives issued by the Reserve Bank of India.

**SHARE CAPITAL:**

Subsequent to the Resolution passed by way of Postal Ballot on 13<sup>th</sup> August, 2010 company has Sub-divided the Equity Shares of Rs. 10/- to Rs. 1/- each.

**INSURANCE:**

All the assets of the company including the inventories, building, plant and machineries are adequately insured.

**COMPULSORY TRADING IN DEMAT:**

Trading of the equity shares of your Company are being traded compulsorily in DEMAT FORM from March 23, 2001 pursuant to circular of SEBI.

**EMPLOYEES:**

The information required under sub section (2A) of section 217 of the Companies Act, 1956 in respect of certain employees of the company are as under:

- (a) Employees employed throughout the year and who were in receipt of remuneration of not less than Rs.24,00,000/- per annum in terms of section 217 (2A) (a) (i) – None.
- (b) Employees employed for the part of the year and who were in receipt of remuneration of not less than Rs.2,00,000/- per month in terms of section 217(2A) (a) (ii) – None.
- (c) None of the employees is covered under section 217 (2A) (a) (iii).

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

The information required under section 217 (1) (e) of the Companies Act, 1956 read with the companies (Disclosures of Particulars in the report of the board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

**LISTING:**

The Securities of your company are listed with the Bombay Stock Exchange Limited, and pursuant to Clause 38 of the Listing Agreement, the Annual Listing fees for the year 2011 -12 have been paid to them well before the due date. The Company has also paid the annual custodian fees to NSDL & CDSL for the Securities of the Company held in dematerialized mode with them for year 2011-12.

**APPRECIATION:**

Your Directors express their gratitude for the continued support and guidance received by the Company from the customers, vendors, investors, bankers and employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We look forward for their continued support in the future.

For and behalf of the Board  
**Mahalaxmi Rubtech Limited**

Place: Ahmedabad  
Date: May 19, 2011

**Jeetmal B. Parekh**  
(Chairman)

## ANNEXURE TO DIRECTORS' REPORT

Information required under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

### (A) CONSERVATION OF ENERGY

The company has adopted the system of shutting down the electrical machinery and appliances when not in use to avoid unnecessary waste of energy. New investments in machines are being considered with an idea to have reduction of consumption of energy. The impacts of such measures are not precisely ascertainable. The total energy consumption and consumption per unit of production required in form 'A' is given here under:

#### FORM 'A'

(a) Power and Fuel Consumption		2010-11	2009-10
1. Electricity			
(a) Purchased:			
Units	:	8720074	8756589
Amount Rs.	:	4,73,28,090/-	4,92,72,772/-
(b) Own Generation:			
(i) Through Diesel:			
Units	:	38500	35000
Amount Rs.	:	4,68,300/-	3,64,078/-
(ii) Through Windmill			
Units	:	2307938	2437123
2. Fuel			
Waste Wood			
Tonnes	:	31438	31582
Amount Rs.	:	9,18,79,030	7,99,99,355/-
Coal & Lignite			
Tonnes	:	12746	15743
Amount Rs.	:	3,16,03,512/-	3,76,67,407/-
Steam Coal			
Tonnes	:	13794	6978
Amount Rs.	:	51908737	20555064
(b) Consumption per unit of production	:	It is not possible to ascertain the same as company is having different process for different kind of production.	

### (B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

The company is putting its best efforts towards research & developed in its own laboratory, to improve the quality of products and to test and try the latest technological innovations.

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings	:	Rs. 53664305
Foreign exchange outgo	:	Rs. 12603850

## MANAGEMENT DISCUSSION AND ANALYSIS

### A. Business Overview

The Company's turnover at Rs. 12853.53 lacs has recorded an increase of about 45.50% compared to the previous year. Meanwhile the Net Profit for the year (before depreciation and tax) recorded increase of about 26.22% compared to the previous year. The profit before tax, after absorbing depreciation, for the year stands at Rs. 862.84 lacs.

Your company has continued to put in all possible efforts to boost exports, during the year under review achieved Export sales to the tune of Rs.561.00 Lacs.

### B. Industry Structure and Development:

Your Company operates mainly in two broad areas: Polymer Based Technical Textile Division and Traditional Textiles Division, whereas Textile Division is having two separate units for Weaving and Processing.

Polymer Based Technical Textile Division at MRT manufactures world class Textile Printing Blankets and range of other niche rubber products having a dedicated R & D wing for technical textiles. Being widely used on all types of textile screen printing machines, we are today one of the largest Textile Printing Blanket manufacturer in the country with a long track-record and excellence in quality in this industry. Since long time MRT has been exporting its products to more than 25 countries, with major countries of export being China, Pakistan, Brazil, Colombia, Thailand and Indonesia. The Company has been regularly participating in international exhibitions which enable us to keep abreast with the latest global trends.

In Rubber division your Company operates across multiple products and business in diverse markets and environment. These includes manufacturing of Polymer Coated Engineered Fabrics, which has diverse end-uses in products like defense equipment, safety & protective clothing, gaskets, diaphragms, bellows, expansion joints and many more and manufacturing of Air Cell, Hydraulic seals and spares which are supplied to transformer manufacturers and users of hydraulic equipments. Your company confirms to ASTM standards, Bureau of Indians standards, DIN standards, Federal Standards etc. and is an ISO 9001:2008 Company.

Your Company has plans to expand its ambit and scope of activities in the technical textile space. The diversification and expansion is planned with a special focus on manufacturing of Offset Printing Blankets (used in Sheet Fed and Web Fed offset printing machines), Coated and Laminated Textiles, and Polymer Coated Engineered Composites. Some of the emerging areas of technical textiles which the company plans to explore are in the field of Geotextiles, Healthcare, Safety & Protective Clothing, Industrial, Aerospace, Marine and Military sector.

In textile division your Company operates in two separate units i.e. "Maheeka Textech" a weaving unit and "Mahalaxmi Fabric Mills" a Processing unit. Maheeka Textech is a high-tech weaving unit which includes warping, sizing and world-class automatic rapier looms for weaving of various types of fabrics. Maheeka Textech also has facility of manufacturing specialty fabrics used for the technical textiles. Your Company has completed amalgamation of Mahalaxmi Fabric Mills Pvt. Ltd. in the year 2008-09 and the same has been absorbed as a separate unit in textile division. As a result of amalgamation, your Company has complete facility from warping, sizing, weaving, dyeing, bleaching, printing, processing and finishing of various types of fabrics such as cotton, polyester, Bottom-weight etc. Mahalaxmi Fabric Mills a processing unit is engaged in dyeing, bleaching, printing and processing of various types of fabrics and at the end of the chain its fabric range goes in to high quality Apparel and Home textiles catering to Domestic as well as Global Market.

### C. Research & Development:

Increased globalization has made the sale of products and retaining of customers highly competitive. To overcome a significant volatility in the market, the need of the hour is high customer satisfaction and value for money from the product. Keeping the above objective as paramount, the research and development activities were focused into attending major customer complaints/suggestions in order to improve customer satisfaction. Your Directors are pleased to inform that the above efforts have lead to considerable reduction of customer complaints. Your company has successfully launched products of better quality with new aesthetic look as per customer requirements. Further your company also plans to make new investments for upgrading and modernizing their R&D facilities.

### D. Internal Control System:

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The internal control is supplemented by an extensive programme of internal audits.

The internal audit programme is finalized in consultation with the Internal Auditors and the audit committee of the Board. The Audit Committee is briefed on the findings by the internal auditors, every quarter, along with the remedial actions that have been recommended or have been taken by the management to plug systemic weaknesses. The Audit committee of the Board meets periodically to review various aspects of the performance of the company and also review the adequacy and effectiveness of internal control system and suggests improvement for strengthening them from time to time.

**E. Human Resources:**

Your Company continues to have cordial and harmonious relations with its employees at all levels during the period under review. The operations of the Company across functions have been strengthened through induction of appropriately qualified and experienced manpower. Management of your Company strongly focuses on the performance of the managers. The Board acknowledges its thanks to all the shop floor personnel and other employees for making significant contribution to your Company.

**F. ISO 9001:2008 Certification:**

We wish to inform you that your company has obtained the ISO 9001:2008 Certification, Accredited by TUV South Asia Private Limited, covering all major criteria Development and Manufacturing of Rubber Products such as Textile Printing Blankets, Rubber Coated Fabrics, Precision Rubber Moulded Parts, Flexible Separators and Hydraulic Seals.

Throughout our corporate career, your company has been quality-focused and technology-driven. From our inception, these were the factors that enabled us to manufacture truly world class Textile Rubber Printing Blankets and Rubberized Textile Fabrics, through in-house R&D, and successfully market them around the world.

**G. Cautionary Statement:**

Certain statement in the "Management Discussion and Analysis" may be forward looking and are stated as required by applicable laws and regulations. Many factors affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and outside the country and other factors such as litigation and industrial relations.



## CORPORATE GOVERNANCE

Report on the implementation of the Corporate Governance is furnished below:

### 1. Company's Philosophy on Code of Governance:

The Company's Corporate Governance Philosophy was to continuously strive to attain higher level of accountability, transparency, responsibility in all aspects of its operation. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholder – customer, lenders, employee and society. The Company lays a long term emphasis on Corporate Code of Governance, as a true and effective code of corporate conduct would hold the Company and its stakeholders in a good stead in the coming years.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good move.

The Company adheres to good corporate practices and is constantly striving to make them better. The Company strongly supports the principles of corporate governance. Further the board lays emphasis on transparency, accountability and integrity in all its operations and dealings with outsiders. Your company has complied with all material respects with the features of Corporate Governance Code as per clause 49 of the Listing Agreement with the Stock Exchange.

### 2. Board of Directors:

The Board consists of six directors of whom one is Non-executive Chairman, two Managing Directors and three Non-Executive Directors (Independent).

During the year 8 Board Meetings were held on 07.05.2010, 30.05.2010, 07.07.2010, 19.07.2010, 09.08.2010, 01.10.2010, 02.11.2010 and 10.02.2011. The interval between any two meetings did not exceed 4 months.

The Composition of Directors and their attendance at the Board Meeting during the year and also number of other directorships/membership of Committees are as follows:

Name of Director	Category of Directorship	No. of Board Meetings Attended	Whether Attended Last AGM 16.09.2010	No. of other Directorships	Committee	
					Membership **	Chairmanship **
Jeetmal B. Parekh	NED-P	8	YES	*4	----	----
Rahul J. Parekh	MD	8	YES	*6	1	----
Anand J. Parekh	JT. MD	8	YES	*3	2	----
Nikhil K. Parikh	NED-I	6	NO	NIL	1	----
Nehal M. Shah	NED-I	6	NO	1	----	1
Malav J. Ajmera	NED-I	8	YES	NIL	---	1

\* All Private Limited Company

\*\* As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairmanships of audit committee and investors' grievance committee in public limited companies.

NED -P - Non Executive Director (Promoter), MD - Managing Director, JT. MD – Joint Managing Director, ED - Executive Director, NED-I - Non Executive Director (Independent) Shri Jeetmal B. Parekh is a Non-Executive Chairman, Shri Rahul J. Parekh and Shri Anand J. Parekh are Managing Directors, Shri Nikhil K. Parikh, Shri Nehal M. Shah & Shri Malav J. Ajmera are Non Executive Directors (Independent).

### 3. Audit Committee:

#### 1. Composition and Terms of Reference:

As on 31.03.2011 your Company's Audit Committee consisted of Shri Malav J. Ajmera – Chairman of the Audit Committee, Shri Anand J. Parekh and Shri Nikhil K. Parikh. All members of the Audit Committee have Financial, Accounting and Management expertise. The Chairman of the Audit Committee has attended Annual General Meeting held on 29.09.2010.

During the year 4 committee meetings held on 27.05.10, 09.08.10, 02.11.10 and 10.02.2011 the attendance of members at the meetings were as follows:

Name of Member	Status	No. of Meetings Attended
Malav J. Ajmera	Chairman	4
Nikhil K. Parikh	Member	4
Anand J. Parekh	Member	4

Two third members are non-executive and Independent Directors. The Chairman of the Committee is an Independent Director. The General Manager & Compliance Officer are regular invitees and statutory auditors are invited from time to time.

- The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement with the Stock Exchanges and also as required under Section 292A of the Companies Act, 1956.
- The Chief Financial Officer along with the Statutory Auditors, Internal Auditors are invited to the Meetings of the Audit Committee. The Company Secretary acts as Secretary of the Committee.
- The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meeting.

#### **4. Remuneration Committee (Non Mandatory)**

The Remuneration Committee inter alia, reviews and recommends the remuneration and commission / performance incentive of Executive and Non – Executive Directors. The Terms of reference of the Remuneration Committee include the matters specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

The committee comprises of 3 Non-Executive directors, Mr. Jeetmal B. Parekh as Chairman and Mr. Nikhil K. Parikh, Mr. Nehal M. Shah as members.

During the year under review, the committee met one time on 26.05.2010 where all members were present in the meeting.

Details of Remuneration for the year 2010-2011 paid to the Directors are as follows:

##### Remuneration for 2010-11 to Shri Rahul J. Parekh, Managing Director:-

- Basic Salary Rs.: 4,80,000/-, (Rupees Four Lacs Eighty Thousand only) and Perquisites: 32,400/- (Rupees Thirty two Thousand Four Hundred Only) Per Annum

##### Remuneration for 2010-11 to Shri Anand J. Parekh, Jt. Managing Director:-

- Basic Salary Rs: 4,80,000/- (Rupees Four Lacs Eighty Thousand only) and Perquisites: 32400/- (Rupees Thirty two thousand four hundred only) Per Annum

The other information of Directors are as under:

Name	Age	Designation	Date of initial appointment	Nature of employment	Shares held
Jeetmal B. Parekh	67	Chairman	27.08.1993	-----	9628560
Rahul J. Parekh	39	Managing Director	05.07.1995	Contractual	8511190
Anand J. Parekh	34	Jt. Managing Director	19.11.2008	Contractual	7511220
Nikhil K. Parikh	39	Director	31.03.2003	-----	NIL
Nehal M. Shah	39	Director	30.03.2005	-----	NIL
Malav J. Ajmera	34	Director	19.11.2008	-----	NIL

The contractual agreements with executives can be terminated by either party giving 1 month prior notice. The company does not pay any severance fee and no stock options are issued to any of the Directors.

The company does not pay any remuneration for attending the Board / Committee Meeting to Non-executive directors.

There is no pecuniary relationship or transaction of the company with any non-executive directors.

#### **5. CEO/CFO CERTIFICATION:**

The Managing Director and CEO have certified to the Board that:

- We have reviewed financial statements and the cash flow statement for the year ended 31-03-2011 and that to the best of our knowledge and belief :
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.